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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	Case No. 09-37010 (SGJ)
	§	
ERICKSON RETIREMENT	§	CHAPTER 11
COMMUNITIES, LLC, <i>et al.</i>	§	
	§	(Jointly Administered)
	§	
Debtors.¹	§	Ref: Docket Nos. 1137, 1139, 1163
	§	

**STIPULATION BETWEEN THE DEBTORS AND HCP INC. FOR
TEMPORARY ALLOWANCE OF CERTAIN CLAIMS FOR PURPOSES
OF VOTING TO ACCEPT OR REJECT THE PLAN**

This stipulation (the “**Stipulation**”) is entered into by and among the above-captioned Debtors, and HCP, Inc. and its affiliated entities HCP ER6, LP, HCP ER2, LP, and HCP ER3, LP (together with HCP Inc., “**HCP**”), as secured creditors and parties in interest in the above-captioned jointly administered cases (collectively the “**Chapter 11 Cases**”) in the United States

¹ The Debtors in these Chapter 11 cases are Erickson Retirement Communities, LLC, Ashburn Campus, LLC, Columbus Campus, LLC, Concord Campus GP, LLC, Concord Campus, LP, Dallas Campus GP, LLC, Dallas Campus, LP, Erickson Construction, LLC, Erickson Group, LLC, Houston Campus, LP, Kansas Campus, LLC, Littleton Campus, LLC, Novi Campus, LLC, Senior Campus Services, LLC, Warminster Campus GP, LLC, Warminster Campus, LP (collectively, the “**Debtors**”).

Bankruptcy Court for the Northern District of Texas, Dallas Division (the “**Court**”), by and through their undersigned counsel, with reference to the following facts:

RECITALS

1. On October 22, 2009, the Court entered the Order Establishing Bar Date (the “**Bar Date Order**”) [Docket No. 61]. Pursuant to the Bar Date Order, the Court established February 28, 2010 (the “**Bar Date**”) as the deadline to file a proof of claim against the Debtors’ estates for claims which arose prior to the petition date (each a “**Proof of Claim**”).

2. HCP holds significant secured debt interests on three of the Debtors’ properties: the Houston campus, the Novi campus, and the Warminster campus. All three campuses are open and operating but still under construction and development.

3. On November 13, 2009, the Debtors filed their initial version of their plan of reorganization (as subsequently amended, the “**Plan**”) and related disclosure statement (as subsequently amended, the “**Disclosure Statement**”). The Plan and Disclosure Statement were amended by the Debtors on December 30, 2009, February 16, 2010, March 1, 2010 and March 8, 2010 respectively, and supplemented on April 9, 2010. The Plan, as amended and supplemented, includes the terms for the sale of substantially all of the Debtors’ assets to the Buyer, the Redwood entities (“**Redwood**”).

4. On January 13 and 14, 2010 and February 26 and 27, 2010, before the Bar Date, HCP filed several Proofs of Claim and amended Proofs of Claim against the Debtors in order to protect HCP’s interests in these three campuses.

5. On March 29, 2010, the Debtors filed three Omnibus Objections to HCP’s Proofs of Claim including the Debtors’ First Omnibus Objection To Claims – Duplicative Claims [Docket No. 1137]; the Debtors’ Third Omnibus Objection – Amended Claims And Late Filed Claims [Docket No. 1139]; and the Debtors’ Twenty-Seventh Omnibus Objection – HCP Inc.

fka Health Care Property Investors Inc. Claims [Docket No. 1163] (together the “**Claim Objections**”). The Omnibus Objections were intended to address claims that the Debtors had identified to be duplicative of other claims filed by the same claimant (the “**Duplicative Claims**”); or claims which appear to amend and supersede previous claims filed by the same claimant against the Debtors (the “**Amended Claims**”); or asserted claims for which the Debtors believe they are not liable in whole or in part (the “**No Liability Claims**”).

6. HCP and the Debtors (together, the “**Parties**”) have since conferred, clarified and agreed which of those certain HCP Proofs of Claim should survive for purposes of voting on the Plan and which are Duplicative Claims, Amended Claims, or No Liability Claims and should be expunged. HCP and the Debtors now desire to evidence their agreement according to the terms and conditions set forth below.

In consideration of the foregoing and subject to the approval of this Court, the Parties hereby stipulate and agree as follows:

STIPULATION

1. **Allowed and Expunged Claims.** A list of the claims deemed allowed (the “**Allowed Claims**” and each an “**Allowed Claim**”) and the claims to be expunged (the “**Expunged Claims**” and each an “**Expunged Claim**”) is attached as Schedule I. The Allowed Claims shall replace any Proof of Claim that HCP has filed in the Chapter 11 Cases, and shall be the only claims of HCP permitted for purposes of voting on the Plan.

2. This Stipulation shall be limited to clarifying the “Allowed Claims” and Expunged Claims for purposes of voting on the Plan and shall not effect any other rights held by HCP or the Debtors with respect to any of the HCP Proofs of Claim.

3. **No Admission or Waiver.** The resolution of the claims as provided in this Stipulation is acknowledged to be a consensual resolution. Nothing contained herein shall be

considered as an admission of liability of past or present wrongdoing by any party.

4. **Release by Claimant.** HCP, on its own behalf and on behalf of its successors and assigns, hereby waives and releases any and all claims against the Debtors and/or their estates, and their respective directors, officers, employees, successors, heirs and assigns, and their respective heirs, executors, administrators and successors-in-interest, and each and every one of them, other than the Allowed Claim, which is expressly reserved and preserved hereby, regardless of the administrative, secured or priority status of such claim.

5. **Authority.** Each of the Parties to this Stipulation represents and warrants that it has the capacity and authority to enter into this Stipulation.

6. **Binding Effect of this Stipulation.** This Stipulation shall be binding upon the Parties hereto and all of their respective successors and assigns from the date of its execution, including, without limitation, any Chapter 7 or 11 trustee, but is expressly subject to and contingent upon Court approval. In addition, this Stipulation may not be abandoned, amended, supplemented, changed, or modified in any manner, orally or otherwise, except by an instrument in writing of concurrent or subsequent date signed by a duly authorized representative of each of the Parties hereto.

7. **Representations.** Each of the Parties hereto represents and warrants that it has carefully read this Stipulation in its entirety; that it has had an adequate opportunity to consider it and to consult with any advisor of its choice about it; that it understands all of its terms; that it has consulted with independent counsel of its choice, who answered to its satisfaction all questions that it had regarding this Stipulation; that it is duly authorized to enter into this Stipulation; that it voluntarily assents to all the terms and conditions contained herein; and that by signing this Stipulation, it agrees to be bound by the terms and conditions contained herein.

8. **Warranties.** By executing this Stipulation, HCP represents and warrants that: (i)

HCP is the sole owner and holder of the Allowed Claim related to its ground lease interests on the Warminster, Novi and Houston campuses; (ii) HCP is the holder of an Allowed Claim as a participant in the construction loan on the Houston campus; and (iii) HCP has not sold, assigned, or transferred any of its Allowed Claims.

9. **Entire Agreement.** This Stipulation contains and constitutes the entire understanding and agreement between the Parties hereto with respect to the Allowed Claim and cancels all previous oral and written negotiations, agreements, commitments, and writings in connection therewith.

10. **Voluntary Assent.** The Parties affirm that no other promises or agreements of any kind have been made to them by any person or entity whatsoever to cause them to sign this Stipulation, and that they fully understand the meaning and intent of this Stipulation.

11. **Attorneys' Fees.** The Parties agree that each of the Parties hereto shall bear its own attorneys' fees and costs in connection with the matters resolved hereby.

12. **Counterparts.** This Stipulation may be executed in counterparts and may be delivered by email or fax. Any copy so executed and delivered (including delivery by email or fax), when taken with another executed copy, shall be considered and deemed an original hereof.

13. **Retention of Jurisdiction.** The Court shall retain jurisdiction to hear any disputes among the Parties regarding this Stipulation and Order.

SIGNATURE PAGE(S) FOLLOW

IT IS SO STIPULATED.

Dated: April 13, 2010

Dated: April 13, 2010

/s/ William L. Wallander

/s/ Vincent P. Slusher (with permission)

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DEBTORS-IN-POSSESSION**

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